

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

June 02, 2021

MOTOR CARRIER MATTER

☐

DOCKET NO.

2019-226-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

[DOCKET NO. 2019-226-E](#) - South Carolina Energy Freedom Act (House Bill 3659) Proceeding Related to S.C. Code Ann. Section 58-37-40 and Integrated Resource Plans for Dominion Energy South Carolina, Incorporated - Staff Presents for Commission Consideration Dominion Energy South Carolina, Incorporated's Modified 2020 Integrated Resource Plan.

COMMISSION ACTION:

I would move that the Modified DESC 2020 IRP be approved along with Resource Plan No. 8. However, there are certain items that this Commission will be seeking in updates of this Modified IRP that need to be expressly noted and provided in those future updates to the Commission. Timelines and the necessity of moving forward keep us from seeking further modifications in the 2020 Modified IRP. So we will endeavor in this formal written Order to follow provide detail direction for future modified IRP's. I move that the Modified DESC 2020 IRP be approved, and the following modifications and conditions be included and approved for any future modified IRP updates in compliance with the requirements of Act 62.

- One, DESC needs to evaluate near term solar and storage additions in conjunction with their Modified 2020 IRP as previously ordered by the Commission. It is important that potential cost savings for ratepayers can be fully evaluated in subsequent IRPs. Therefore, DESC is ordered to include near term solar and storage in its 2021 Modified IRP Update.
- Two, DESC proposes in its Action Plan for the first time a combustion turbine construction plan, which we refer to as the "CT Plan." In that Plan, it calls for the replacement of older natural gas combustion units with aeroderivative replacement units. However, DESC omitted any substantive details of the CT Plan in its Modified 2020 IRP nor did the company include the CT Plan in its revised modeling. DESC is therefore ordered to provide these updates in its 2021 IRP Update. I note that DESC filed a request in Docket No. 2021-93-E regarding its plan to replace ten (10) existing combustion turbines and one (1) existing steam turbine-generator with five (5) modern aeroderivative-type turbines across three separate sites.
- Three, for clarification, it is important to remember that Act 62 requires DESC and all other regulated utilities to include resource plans that represent "the range of demand-side, supply-side, storage, and other technologies and services available" to meet the utility's obligations. Act 62 also requires a company in its IRP include "plans for meeting current and future capacity needs with cost estimates for all proposed resource portfolios in the plan." Therefore, DESC shall include these in its 2021 IRP Update.

- Four, DESC is ordered to adjust its Reliability Factors in its 2021 IRP Update consistent with Appendix A of the filed "Joint Comments of South Carolina Coastal Conservation League, Southern Alliance for Clean Energy, Carolinas Clean Energy Business Alliance and Sierra Club" dated April 20, 2021. DESC has taken an "average ranking" approach to quantify NPV and fuel costs results. Dr. Sercy in his testimony warned that "using average rankings actually has the effect of hiding risk rather than illuminating it." DESC is required to adhere to Order 2020-832 in its application of the approved minimax regrets and cost range analyses, as well as the plan selection criteria arrived by the Commission in its 2021 IRP Update as well as in all future IRPs. DESC, therefore, shall use Dr. Sercy's minimax regrets and cost range methodologies in addition to using the "average ranking" approach in their 2021 IRP Update as well as in all future IRPs in order provide information related to risk using these various approaches so that the Commission can fully evaluate.
- Fifth, DESC is ordered to develop and implement an All Source Procurement Plan in future IRPs which would offer independent power producers and developers to compete with DESC proposals in a technology neutral process. This will ensure that the opportunity for ratepayer savings and value is enhanced. Future DESC IRPs should recommend a portfolio of resources that best meets the needs of the DESC system using actual bid data.
- Sixth, DESC is directed to employ a reasonable LCSE which is comparable with industry standards in conducting its upcoming Market Potential Study and in developing future IRPs starting with the 2021 IRP Update.
- Seventh, DESC is also ordered to include load forecasts and the integration of Energy Efficiency impacts with its stakeholders as part of the 2021 IRP Update. DESC is also required to present realistic and levelized DSM costs in all future IRPs starting with the 2021 IRP Update.
- Eighth, DESC is directed to use marginal line losses in the calculation of avoided costs and in the translation of energy savings from the MSP to energy savings in future IRP modeling beginning with the 2021 IRP Update.
- Ninth, DESC is required to use "cost effective, reasonable and achievable" as the standard going forward for evaluating the potential for higher savings portfolios in future IRPs and updates beginning with the 2021 IRP Update.

I further move that all aspects of Order No. 2020-832, not inconsistent with this motion, are still in effect, including but not limited to the Commission's expectations of improved future IRP Updates and IRPs. Further discussion, including various elements of the IRP, will be included in the Commission's Final written Order to be filed at a later date concerning DESC's 2020 Modified IRP.

We want to also clarify to Dominion and all interested persons that the Commission's determination in this Docket is pursuant to South Carolina Code Section 58-37-40(C)(4) and it shall not be determinative of the reasonableness or prudence of the acquisition, replacement, or construction of any new resources, or the making of any expenditure, by DESC.

Lastly, I move that the Commission set the date for Dominion (DESC) to file its 2021 IRP Update within sixty (60) days from the date of the issuance of the Commission's written order.

	MOTION	YES	NO	OTHER
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Present in Hearing Room
CASTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Voting via Webex
ERVIN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Voting via Webex
POWERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Present in Hearing Room
THOMAS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Voting via Webex
C. WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Voting via Webex
J. WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Present in Hearing Room

(SEAL)

RECORDED BY: J. Schmieding

